



**Director of
Central
Intelligence**

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National Intelligence Daily

*Thursday
23 February 1984*

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Iran-Iraq Military Developments



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IRAN-IRAQ: New Iranian Attacks*Iran continues to launch limited assaults against Iraqi lines.*

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Tehran says its forces took a ridgeline overlooking an Iraqi supply road during an attack yesterday at Chelat and Chazabeh, north and south of the front along the Doveyrich River. Baghdad claims to have stopped the assault at Chelat and to have conducted airstrikes on Iranian positions east of Al Basrah.

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Baghdad on Tuesday threatened to counter the anticipated offensive with new weapons. It accused Tehran of shelling two small Iraqi border towns in violation of its declaration that it would not hit civilian targets.

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Comment: As in their two previous attacks, the Iranians may have recaptured some territory. Their forces, however, probably did not cross the border. The three attacks have left the Iranians in a position to impede the rapid transfer of Iraqi troops from one front to another.

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Baghdad may renew attacks on urban areas, using Iran's latest thrusts and border shelling as justification. Iran may launch its main attacks on the central and Al Basrah fronts soon, and Iraq almost certainly will resort to widespread use of mustard agent to help blunt the offensive. In addition, Iraq probably will strike Iranian targets in the Persian Gulf, including the oil facilities at Khark Island.

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USSR-US: Attack by Ustinov

An article in Pravda today by Defense Minister Ustinov attacks US policy and makes scant reference to General Secretary Chernenko.

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Ustinov claims that the US is striving for world domination in the article, which commemorates Soviet Army and Navy Day. He also stresses party leadership of the Soviet military.

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In his sole reference to Chernenko, Ustinov cites the General Secretary's pledge that Soviet defenses would be strengthened to "cool the hot heads" of Western adventurers. Ustinov adds, however, that the USSR would take extraordinary measures to develop new weapons only "if this proves necessary." He says the deployment of INF by NATO "made it impossible to continue the talks on nuclear arms in Europe."

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Comment: This article is the toughest high-level attack on US policy since Chernenko became General Secretary. It appears intended to stress the continuity of Soviet defense policy despite the change in leadership.

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Ustinov's single mention of the new General Secretary echoes the military paper *Red Star's* lukewarm treatment of Chernenko's elevation on 16 February, suggesting that Ustinov and the military maintain reservations about the new party leader. The perfunctory reference to Chernenko, on the other hand, may be intended to portray a leadership consensus on defense issues.

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Ustinov's pledge on Soviet defense appears intended to reassure his audience that the international situation is not so grave as to demand extraordinary measures. Both Brezhnev and Chernenko took a similar position more than 15 months ago. Nevertheless, the harshness of the attack on the US leadership, along with Ustinov's comments on INF, suggests that Moscow is still insisting that Washington take the first step to reduce tensions and get arms control back on track.

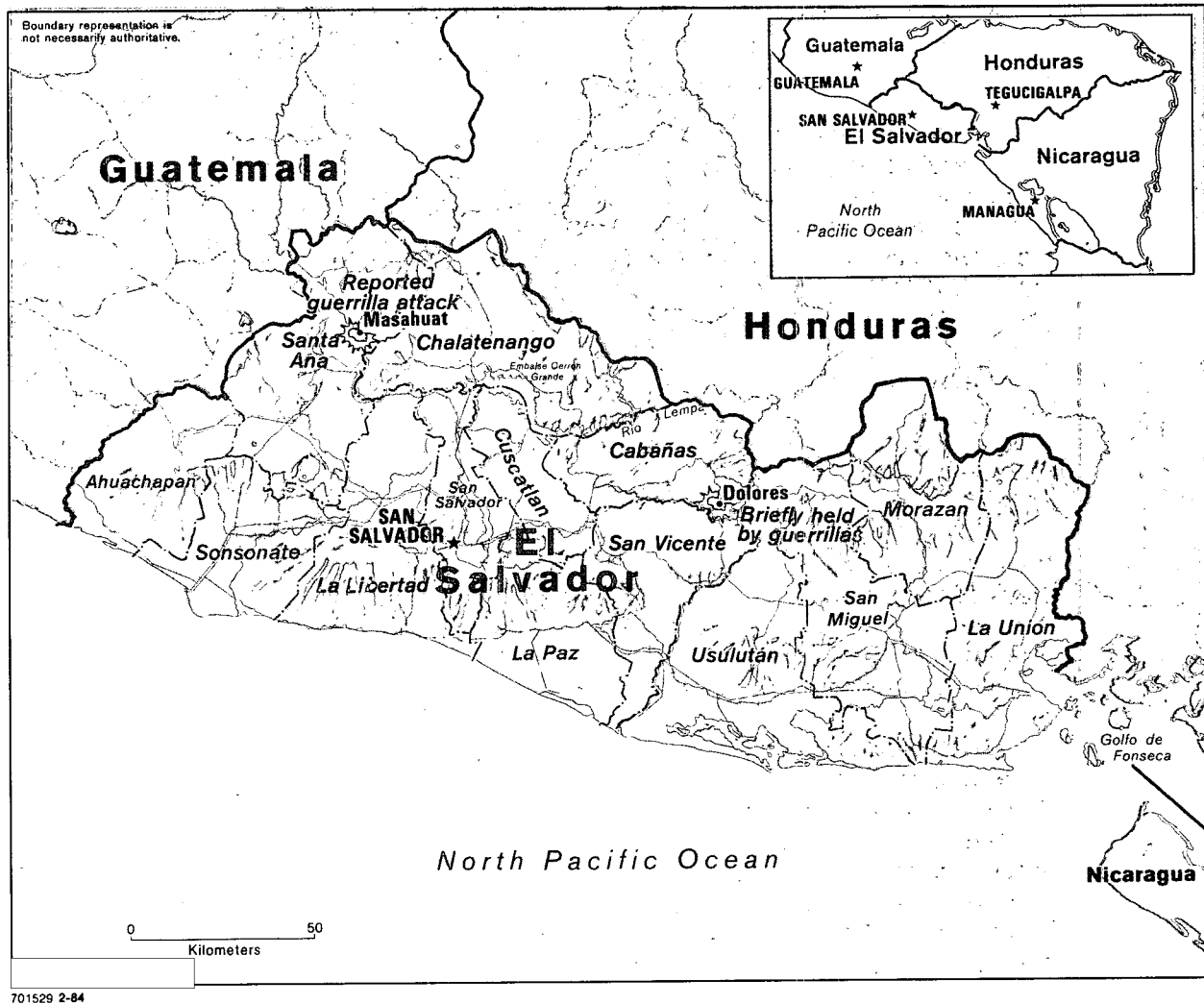
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EL SALVADOR: Military Activity

Government forces continue on the offensive in the east, while the insurgents may be opening a new front in the west. [redacted]

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[redacted] insurgent activity subsided somewhat in the first half of the month as a result of increased Army operations in San Vicente, Usulután, Chalatenango, and San Miguel Departments. According to the US defense attache, the guerrillas continue to abandon their base areas in the face of the government sweeps. This has enabled the Army to retake several towns long held by the insurgents. [redacted]

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A source of the US Embassy with leftist contacts claims the guerrillas intend to open a new front in Santa Ana and La Libertad Departments. Earlier this month the insurgents attacked a farmers' cooperative in La Libertad and killed 39 government personnel. More recently, the guerrillas reportedly attacked Masahuat, the second-largest city in Santa Ana Department. [redacted]

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In Cabanas Department, the insurgents briefly seized the town of Dolores. The defense attache says the government forces responded rapidly to this attack by airlifting relief troops and deploying a company from a nearby garrison. [redacted]

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Comment: The Army is trying to gain and hold the military initiative in preparation for the presidential elections on 25 March. The apparent lull in insurgent activity probably is a prelude to larger scale attacks next month. The attempt to open a new front in the west may be intended to divert government troops away from the east, where the guerrillas are strongest. [redacted]

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SOUTH AFRICA-MOZAMBIQUE-ANGOLA: Negotiations

South Africa's negotiations with Mozambique and Angola have raised expectations in the region that initial agreements to limit the military conflict may set the stage for settlement of broader issues.

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South African Foreign Minister Botha said this week that his government and that of Mozambique want to complete work on a formal security pact, which both sides had already accepted in principle. He indicated that the draft accord requires each party to end support for the insurgencies challenging the other.

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the South Africans have left their bases in Angola at Xangongo and N'Giva. They have agreed to withdraw their remaining forces within 30 days after the next meeting with the Angolans, which is now scheduled for Saturday.

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The Angolans have acknowledged the partial withdrawal and have publicly agreed to restrict SWAPO and to participate in a joint monitoring commission. A senior Angolan official says, however, that progress on larger issues depends on Pretoria's willingness to complete the withdrawal and to stop giving military support to hostile groups.

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The Mozambican Resistance Movement and the ANC say that they will continue their activities despite any government agreements. SWAPO leader Nujoma claims that he will cooperate with the disengagement in Angola but that his forces in Namibia will continue to fight.

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Comment: The governments appear willing to give negotiations a chance, but major uncertainties could cloud prospects for agreement on a Cuban withdrawal from Angola, implementation of the UN plan for Namibia, and the creation of an effective means for detecting covert support to insurgencies. Nonetheless, Pretoria will view these initial agreements as an important diplomatic achievement. South Africa has long sought to persuade its neighbors to recognize its legitimacy by entering into formal nonaggression pacts.

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PANAMA: Continuity in Policies

The new cabinet selected last week by President Illueca probably will help dispel concern among various interest groups that the longtime leftist might adopt policies radically different from those of his more conservative predecessor. Illueca named seven new ministers but reappointed five others, including Foreign Minister Ortega. The US Embassy reports that the only Communist in the previous cabinet was dropped and that several representatives from the government's political coalition have been added. Moreover, the treasury and planning vice ministers on former President de la Espriella's economic team have been promoted to minister, and Illueca has announced that he is committed to continue the existing economic austerity program. [REDACTED]

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Comment: The new administration is transitional, and it is unlikely to depart significantly from the policies established by de la Espriella. In addition, the promotions of the two vice ministers will give continuity to economic policy and help reassure IMF and banking officials, who distrust the outspoken Illueca. [REDACTED]

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USSR-EASTERN EUROPE: Foreign Policy Seminars

The Soviets' concern about lack of East European support for their foreign policy initiatives may have prompted them to hold high-level seminars for their allies. A seminar was held in Moscow for senior officials in the Polish Foreign Ministry last December.

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Comment: Moscow wants to increase understanding of Soviet policy among East European officials as well as to address their concerns about East-West tensions. Largely because of their concerns, some East Europeans reportedly failed to support Soviet efforts at several high-level meetings last year to dictate a tough response to INF deployments. The Soviets are likely to hold similar seminars for senior officials of other East European countries.

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DIA Comment

DIA believes that such a structured "seminar" program with high-level participation may indeed represent a new tack by Moscow toward improving Soviet-Polish relations. Also, it is plausible that, if these efforts are considered successful by the Kremlin, the program may be expanded to include other Warsaw Pact members.

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In DIA's opinion, it is not known to what extent a possible lack of East European support for Soviet foreign policy initiatives may have contributed to the initiation of these seminars. Specifically, there is no information available to suggest a connection between an alleged East European failure to endorse a hardline Soviet response to INF deployments and the decision by Moscow to initiate this foreign policy dialogue with Poland. DIA believes additional evidence is necessary before a clear connection can be made between Soviet-Polish seminars and any Soviet concern over lack of East European support for Moscow's foreign policy initiatives.

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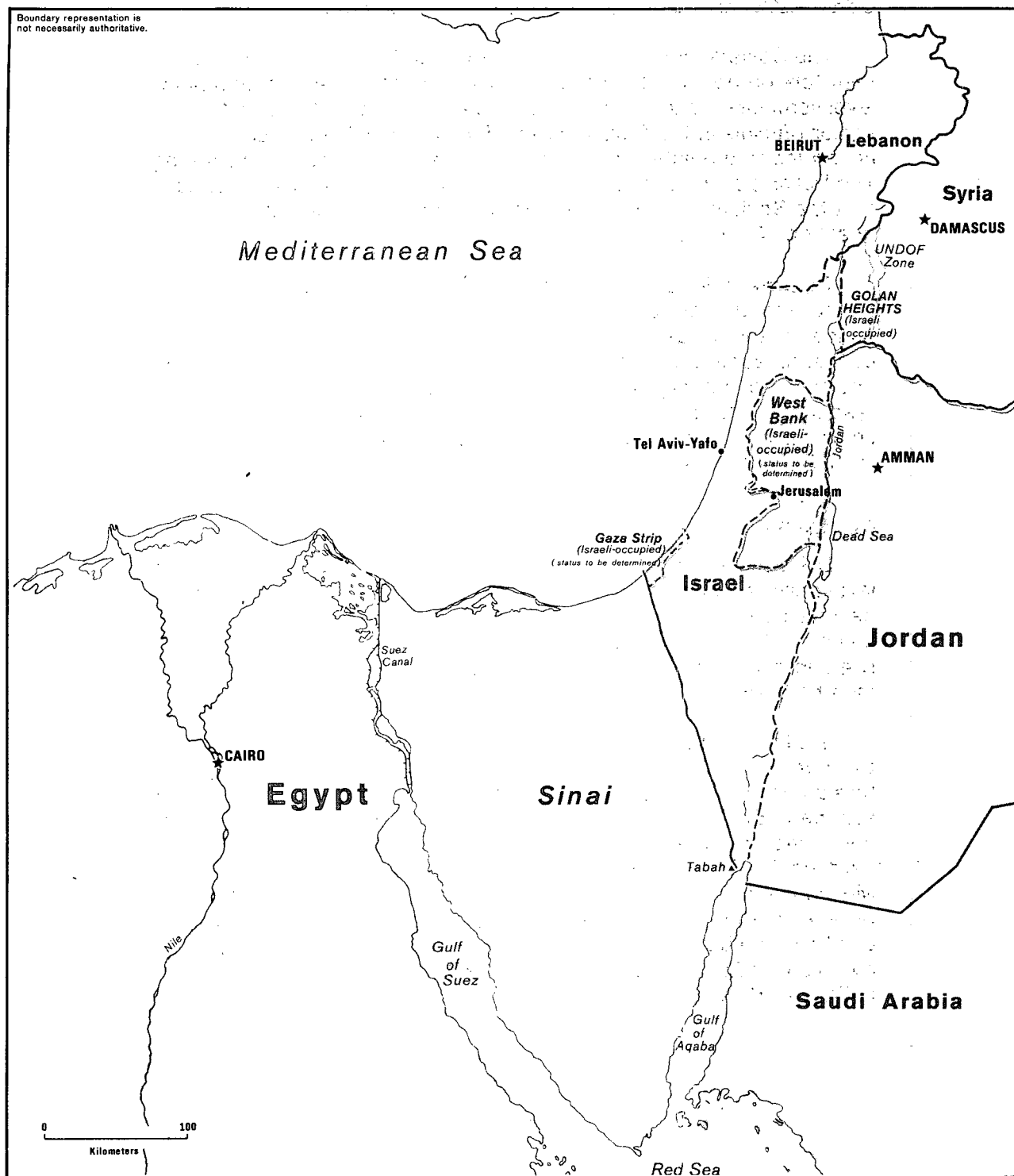
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Special Analysis

ISRAEL-EGYPT: Chill in Relations

Growing frustration in Israel over the poor state of relations with Egypt—and the recognition that the troop withdrawal agreement of 17 May with Lebanon is effectively dead—have caused many Israelis to question Egypt's commitment to the Camp David accords. The Israelis see the slow pace of normalization and President Mubarak's efforts to assert Egypt's leadership in the Arab world as evidence of a diminution of Cairo's good faith. Egypt, meanwhile, views Israeli actions in Lebanon and the West Bank as contrary to the accords, and it also is angry over Israel's occupation of disputed territory in the Sinai. Although both sides want to keep channels of communication open, an early improvement in relations is unlikely.

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The Israelis recognize that their continued presence in Lebanon contributes to the "cold peace" with Egypt, but they blame the decline in relations largely on Cairo's desire to improve ties with the Arabs.

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Bilateral Issues

Tel Aviv believes that Cairo has not fulfilled its commitments to normalize economic and cultural relations. Except for \$400 million in annual Egyptian oil sales to Israel, trade and tourism have remained near the low levels reached when Israel invaded Lebanon in June 1982. Egyptian officials contend that the failure of commerce to expand is caused by the reluctance of individual Egyptians to do business with Israel.

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The continued absence from Tel Aviv of the Egyptian Ambassador—who was recalled in September 1982—is a major Israeli complaint. Israeli officials point out that Mubarak reneged on a promise to return the Ambassador when Israel and Lebanon signed their troop withdrawal agreement. Egypt's current position on the issue is unclear, but Mubarak probably will not send the Ambassador back unless there is substantial progress in the peace process or changes in Israeli policy.

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Egypt's principal bilateral grievance is Israel's occupation of Tabah, a small strip of disputed territory at the southern end of the Sinai border. Both sides have linked the broader question of normalization to progress on this issue.

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Tel Aviv is reluctant to make any concessions in resolving the dispute unless bilateral ties improve. Cairo maintains that no thaw in relations is possible without progress on Tabah. []

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A small move toward improved relations was made this week, when Egypt announced that it will assist Israel in resuming the search for the bodies of missing Israeli soldiers in the Sinai. Following Israel's invasion of Lebanon, Egypt broke off its cooperation in the search. []

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The Peace Process

The Israelis, in talks with US officials, have expressed their deep concern about steps Mubarak has taken to support PLO chief Arafat and his involvement in the peace process—steps they argue violate the Camp David accords. They also note Mubarak never publicly disavowed Moroccan King Hassan's assertion last month that Mubarak had said Camp David is "dead." []

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Early last month Prime Minister Shamir sent a letter to Mubarak that warned of possible dangers to the peace process as a result of Egypt's policies and reiterated Israel's interest in resuming negotiations on the West Bank and Gaza. Mubarak has not yet responded, although Egyptian officials said last week a reply was being prepared. []

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Recent Israeli allegations about an Egyptian military buildup in the Sinai reflect Tel Aviv's frustration over the freeze in relations. Egypt's military construction in the Sinai—though technically within the limits of the peace treaty's provisions—has deepened Tel Aviv's suspicions about Cairo's military intentions in the Sinai. []

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Egypt's chief complaint involves what it sees as expansionist Israeli policies in Lebanon and on the West Bank. During his recent visit to Washington, Mubarak emphasized that the Israeli occupation was the key problem in Lebanon. []

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The Egyptians regard Israeli settlement activity on the West Bank as contrary to the Camp David accords and an attempt to preempt negotiation of the Palestinian issue by creating new "facts" in the occupied territories. Most recently, Cairo has protested a proposal in the Knesset to extend Israeli law to Israeli citizens on the West Bank. []

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Outlook

The many linkages that both Egypt and Israel have created between issues dim the prospects for any major improvement in relations. Meanwhile, Tel Aviv's disillusionment with the results of the peace treaty—and the failure to implement its agreement with Lebanon—will cause the Israelis to question even more strongly the credibility of Arab commitments in the future. [REDACTED]

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A renewal of the dialogue on Tabah might persuade the Egyptians that Israel is not determined to preserve the status quo there. Egypt objects, however, to the Israeli demand that at some point the talks have to be held in Jerusalem. [REDACTED]

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Nonetheless, both sides seem anxious to maintain their dialogue. Israel welcomed the exchange of visits late last year between Director General Kimche of Israel's Foreign Ministry and Egyptian Under Secretary Shafei Abdel Hamid. The Egyptians recently turned to unofficial channels of communication, and they have invited former Foreign Minister Abba Eban to Cairo. [REDACTED]

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